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SUBJECT: Tunisia: Ambassador Highlights Cairo Goals and Trade
Relations with Commerce Minister

Ref: Tunis 907

Sensitive but unclassified; please handle accordingly.

Summary

¶1. (SBU) In a December 24 courtesy call, the Ambassador and Minister of Commerce and Handicrafts Ridha Ben Mosbah discussed U.S.-Tunisia trade and investment and USG initiatives following the President's Cairo speech. While the Minister emphasized his desire for a free trade agreement (FTA) with the United States, the Ambassador pushed for progress on the U.S.-Tunisia Trade and Investment Framework Agreement (TIFA) and on an Open Skies agreement. End summary.

Entrepreneurship and Franchising

¶2. (U) Highlighting the key themes of the President's Cairo speech in a December 24 courtesy call, the Ambassador explained the goals of the March 1-2 Presidential Summit on Entrepreneurship and indicated that several Tunisian entrepreneurs would be invited. The Ambassador also emphasized franchising as an important vehicle for technology transfer and job creation. He expressed strong support for recent developments in franchising, such as the August 2009 franchising law (and the implementation decree expected in February 2010) and the December 10-13 Tunis Med Franchise Show (reftel).

¶3. (U) Minister Ben Mosbah replied that the Government of Tunisia (GOT) has prioritized entrepreneurship and the creation of small and medium-sized enterprises (SMEs). Its legal framework, he said, promotes SME creation through entrepreneurship and "spin-off" operations, and has helped establish 70,000 new SMEs in the last five years. Still, remarked Ben Mosbah, the GOT and universities are working to overcome "cultural barriers" and encourage entrepreneurship among youth.

Science and Technology

¶4. (U) The Ambassador previewed the visit of science envoy Dr. Elias Zerhouni, highlighting the relevance of science and technology cooperation to trade and investment. The Minister, who knows Dr. Zerhouni from a previous position, was pleased to learn of the visit

and suggested several "technopoles" and other technology sites to include in the visit.

Hoping for an FTA

¶5. (SBU) Minister Ben Mosbah repeatedly raised his interest in pursuing an FTA similar to the U.S.-Morocco agreement. Pointing to

GOT progress on issues such as intellectual property and anti-counterfeiting, he said that he was interested in continuing talks on the 2002 TIFA but that his ultimate goal was to sign an FTA. The Ambassador focused on the need to make progress first on the TIFA and raised the possibility of an Open Skies agreement to increase trade and investment. He added that the Embassy had recently (in September) submitted a model text of an Open Skies agreement to the Ministry of Foreign Affairs and was awaiting a response.

Next Step: GOT Road Show?

¶6. (U) Minister Ben Mosbah described the GOT's "Think Tunisia" outreach campaign (www.thinktunisia.tn), in which he and other officials have made presentations at trade shows in Europe to promote investment in Tunisia. He suggested, and the Ambassador agreed, that GOT outreach to the United States could help promote Tunisia's image as a destination for U.S. investment in high-tech industry and information technology. The Ambassador pledged to research opportunities (at trade shows, technology fairs, etc.) for the Minister to plan an outreach road show in the United States.

GRAY